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THE LABOR SITUATION IN DETROIT¹

The reports from the 1920 census have apprized everyone who was not already informed that the tremendous growth of the automotive industry has carried Detroit into fourth place in population rank. It was in the belief that such an industrial Mecca, which had drawn its multitudinous votaries from every section of the continent and even farther, would be an ideal place for an intensive study of the currents of opinion among workingmen and the prevailing conditions of labor in a progressive factory town that the writer spent several weeks during the past summer making a first-hand investigation of the labor situation there. He had numerous conferences with employment managers, industrial managers, chiefs of operation, and like officers having to do with personnel in a variety of plants. For it should not be overlooked that there are other important industries besides automobile manufacture in the City of the Straits. It has several large stove and furnace works, some big pharmaceutical laboratories, and various sorts of machine shops. These have contributed not a little to the prosperity of the city, though the expanding production of motor cars trucks and tractors has been the chief factor, of course. In the main this article is concerned with conditions in this leading industry.

In addition to these conferences with officials of many different firms, and thanks to their courtesy, the writer has gone into the shops and worked among the men. Dressing and speaking like the ordinary wage-earner he has been able to gain from them in the casual conversation along the bench or over the machine or on the window ledge at noon-hour, knowledge and information about the workingman's state of mind and his status in industry which could not have been acquired elsewhere. Incidentally it

¹ There is no attempt in this article to set forth the current situation with regard to employment. In that respect there has been a great change since the paper was written, in the latter part of August. But this feature has so little bearing upon the broad outlines of labor policy treated herein that it has not been deemed advisable to make any modifications in the text on that account.

might be of interest to some that workingmen no longer like to be marked off as a class by their dress. No longer do the blue jeans or khaki overalls or visorless cap mark for you—outside the factory gates—the manual worker. He goes and comes from work in the garb of other folk, somewhat more soiled usually, but that, the only difference, is an unavoidable one. This is literally true. A stiff straw or a Panama hat, a collar and necktie, a light-colored shirt occasionally of silk, a dark suit of street clothes and polished shoes—these are the rule and not the exception for the young fellows who flock to the machines and benches in the automobile shops. They are proud—but not of their work!

To the student of “the labor movement” the outstanding feature of the situation of labor in Detroit would be the almost complete want of organization. Every individual “goes it alone.” He seeks the job “on his own hook.” He is hired by individual contract at a wage secretly agreed to when he is taken on and which he is futilely warned not to disclose to any fellow-worker. He is subjected to the regulations and the discipline of the shop as a nominally independent covenantor, and actually there is little or no attempt to engender a spirit of collective responsibility. Finally he is discharged without further formality than a written notice from the foreman that he may quit and receive wages due at a specified hour.¹ If a reason for discharge is stated, that is a *pro forma* recognition of his nominal “rights” which can in no wise affect his fate.

The effects of this strict adherence to the theory of individual freedom of contract are as varied as they are numerous. Employee representation on an administrative body charged with the adjustment of conflicting interests or even the settlement of ordinary “grievances,” or employee participation in the formulation of workshop rules appear not to be prominent tendencies in factory organization in Detroit, though they have featured most reconstruction programs put forward elsewhere in the *post bellum* period.

¹ It is not to be implied from this that the power of “hiring and firing” rests with foremen. Generally that is not the case. But the point here is only that so far as the workman is concerned the insecurity of job-tenure has not been greatly lessened by removing the power of summary dismissal from the foreman to the employment office.

While the competition among the many establishments keeps the general wage scale fairly uniform everywhere in the city, the individual bargaining process results in wide variations of individual wages from the current rate for the given grade of labor. At the same bench may be found men doing identically the same work in an equally inefficient manner for wages that differ as much as twenty-five cents per hour. Again, the idea that each employee is a private contractor and the associated idea of his strict independence may possibly account in part for the fact that the subjects of motion study, fatigue study, and the like have received relatively scant attention, on the whole, from the body of Detroit manufacturers. They have rather concentrated on the application of mechanical contrivances to all the simpler and many of the more complex processes in their industries, and their successes in this direction have been noteworthy. Finally, since each man stands more or less isolated from his fellows, unbound by explicit group interests and unrestrained by an active group morality, there is a very large amount of plain thieving and deliberate though unsystematic and unconcerted sabotage. Men earning wages around \$2,000 per year have no scruples against taking away from the shop tools, parts, supplies, even tires, by any means by which they think they can escape detection. This is not confined to occasional miscreants. It is a common practice.

There were many other conditions which came under my observation, to which it seemed to me a connection could be traced from the practice of individual bargaining, but it would unduly lengthen this article to describe more of them here. It is not suggested, of course, that these sundry features of the situation in Detroit are unique. In respect to any of the above-mentioned features no doubt similar conditions in other places could be cited. But so far as the writer's observations go it is believed that the concurrence of so many such features of similar import and the extent to which severally they obtain could scarcely be duplicated in another first-class American industrial center, with the possible exception of Pittsburgh.

Before attempting an analysis of the development of this state of affairs mention may be made of the qualifications to our general

description of the situation as unorganized. There does exist an organization known as the United Automobile, Aircraft, and Vehicle Workers of America. It is an international union with locals scattered all over the country but principally through the North Central states. It was originally affiliated with the American Federation of Labor, but its program of aggressive industrial unionism brought it into conflict¹ with the dominant policies in the Federation. For the last two and one-half years it has been an independent body. Its growth in Detroit has been steady but not striking, considering the field. In 1916 the membership totaled 4,600, while it had passed 18,000 by July 31 of this year. It is significant that the most rapid accretion of new members came in the months immediately following the close of the war, when for a time the rate of 1,000 per month was maintained.

While this organization is a successful "going concern" with good prospects, officered by men of imagination and zeal, it cannot be said to play as yet a significant rôle in the governance of employment relations in Detroit. If its total membership, scattered through a dozen or more shop units,² were all concentrated in one of the larger plants, e.g., Ford's, it would still be too weak to exercise much power over the decisions of the single manufacturer. The pay-roll of the Ford Company alone is approximately four times as long as the membership roll of this union. It is not strange, therefore, that it is a negligible factor at present in the determination of the conditions and status of labor in Detroit.

Beyond this independent industrial union, labor organizations affiliated with the American Federation of Labor are found in certain departments, particularly the paint department and the foundry, of several shops. These craft unions do not aim at an extensive membership, but within their special department they seek and in many

¹ The trouble arose, as usual in such cases, over a jurisdictional dispute; but the nominal ground upon which the break with the A.F. of L. came was the refusal of the organization to drop the term "Automobile Workers" from its title. (See *Proceedings 37th Annual Convention of A. F. of L.*, p. 130.) Its original title was "International Union of Carriage and Wagon Workers of North America."

² The U.A.A. & V.W.A. has shop units in plants of the following concerns: Fisher Body, Packard, Studebaker, Paige, American Auto Trimming & Painting Company, Hudson and Hupmobile. A miscellaneous shop unit includes employees from Chalmers, Wilson Body, Dodge Brothers, Ford, Briggs, Cadillac, Liberty, Scripps-Booth, *et al.*

plants have obtained a full union complement. The number of such skilled mechanics or artisans compared to the entire force in any given shop is so small, however, and the objects of the unions are so narrowly defined that the influence they exercise upon the whole employment situation is insignificant.¹

There are three factors of sufficient importance to justify reference to them in any accounting for the existence of this unorganized condition of labor. These are: character of the principal industry, nature of work in the shops, and attitude of employers. Doubtless other forces have co-operated in bringing about the result, but it will be sufficient for our purposes to review these major causes. The automotive industry is comparatively speaking a new industry. Its rapid expansion during the past fifteen years has given exceptional scope for advancement to energetic and capable employees. Young men and youths in particular have been attracted to the industry, therefore, and under the stimulus of high wages and quick promotion their thought-processes have habitually run in terms of capitalistic achievement. The ideas of group solidarity and labor class loyalty have been alien to their minds. The youthfulness of those drawn into this industry most typical of the new century, the spirit of ambition and rivalry which ever animates youth, the lack of experience which makes men timid in group action and fearful of changing anything that has the sanction of long practice, the absence of any binding or cohesive traditions, which are the fruit of common struggles in a long past—all these things help to explain the failure of trade unionism to make headway in Detroit, the automobile city.

Moreover, the automotive industry is not only a new industry, it is and has been an unstable industry. To be sure it has grown rapidly, but it has also grown spasmodically. The history of the trade is a history of great "rushes" and chronic "lulls." It has been

¹ For instance, in a conference with the industrial manager of a prominent company, a man singularly well informed about everything within his jurisdiction or relating to it, I was told that the shops of his company were "absolutely open shops, meaning open only to non-union workmen." Yet at that very time I was aware, as the official must also have been, that in one small department employing some thirty-two skilled artisans every workman was a union man, and though the form of collective bargaining was not followed the substance was there.

acutely subject to fluctuations not only in response to changes in the activity of general trade but also in response to the more ephemeral changes in business psychology. This may be traceable to the element of luxury in the product, coupled with the magnitude of the outlay required for its acquisition. Expenditures from the ordinary family budget upon such an expensive article of luxury or semi-luxury are made only after cautious figuring in which the outlook for the future is bound to play a prominent part. This means that the decision to purchase often hinges upon the unstable complexion of current talk about what may happen tomorrow, instead of upon concrete facts like the amount of the bank deposit and the present scale of income. Under these circumstances the demand is bound to be variable. Perhaps, however, we exaggerate the element of luxury in the present-day use of automobiles. It is quite as likely, in the writer's opinion, that the unstable character of the industry is properly attributable to the novelty, attended with the huge practical possibilities, of the product. In this case the instability of the industry may be counted upon steadily to diminish, other things being equal.

At any rate the fluctuating character of the trade has made the laboring element dependent upon it equally shifting. The constant influx and removal of laboring men to and from Detroit cannot but be remarked by the observer familiar with the settled working-class of New England. And there are indications that the industry is becoming more rather than less dependent upon a casual labor supply. There was scarcely an employment manager interviewed who did not complain of the difficulty, always increasing, of holding men to their jobs. One large company that for eight years has given special attention to reducing the costs of labor turnover has found its rate of turnover steadily increasing since 1916. This has occurred in spite of extraordinary efforts to reduce the rate by many sorts of uplift schemes. To some extent undoubtedly this tendency is attributable to the general disruption of industry during the war. The military draft bore heavily upon the ranks of automobile workmen, a large proportion of whom were unmarried. The conversion of many automobile shops to munition factories and the manufacture of various kinds of army

equipment, and then their re-conversion back to automobile production were inevitably attended with a considerable change of personnel. But with due allowance for these factors, it must still be recognized that there is an abnormal amount of shifting among automobile workers. The rate of turnover mentioned, it should be noticed, began to increase over a year before the advent of war conditions, and the tendency has persisted through almost two years since the war ended.

It may be pointed out, however, that the past five years have been a period of almost constant rise in the price level, which makes for instability¹ in the labor force through the indifference of the workmen to discharge and the attractive inducements being advertised in "the next place." Accordingly it might be concluded that the rising rate of labor turnover in the automotive industry during the period in question was not only an ordinary but a transitory tendency. While reliable statistics for a comparison of the rate of turnover in this industry with other industries for the whole period are not available, the writer, upon the basis of his observations, entertains no doubt but that the increase in the rate here was greater than elsewhere. Conversely, it may be readily granted that in a period of falling prices the rate of labor turnover would almost certainly not keep on increasing and might be expected to decline in the automotive industry in harmony with a like development in industry generally, though not necessarily to the same extent or to the same level. In summary, it is not surprising that labor organization has not proceeded far in this fluctuating mass of laborers.

The second important factor in accounting for the unorganized state of labor is the nature of the work in automobile shops. The extent to which has been carried the indirect method of production, the perfection of the "machine process," in the automobile industry, is a matter of common knowledge and universal wonder. It is the mechanical industry par excellence. Nothing is made by hand, measured by the eye, or fitted by "trial and error." But though the work is mechanical it is not specialized. There are mechanical jobs, but no jobs for mechanics. Broadly speaking any man can

¹ See Slichter: *Turnover of Factory Labor*, pp. 29-37.

run any machine, after a short period of instruction, which by no means approaches an apprenticeship. In short, as the machinery has become more specialized, the need for special skill in the operator, i.e., the need for craftsmanship, has disappeared. The accuracy of the operation depends upon the machine; the man is a mere tender. He starts and stops the operation. He does not control it.

The consequence of the rigid application of the principle of standardization in production has been the standardization of labor. Along with interchangeability of parts goes interchangeability of producers. Under these circumstances the development of craft unionism is out of the question. Automobile workers have no "trade." They belong to the proletariat of the labor world, always recognized as hard to organize, and too numerous to be the object of special concern¹ of the "business unions" making up the

¹ There have been rare exceptions to this rule, the most recent of which was the attempt to organize the steel-workers, which culminated in the steel strike of 1919. The Report of the Special Commission of the Interchurch World Movement which investigated this strike contains the following paragraphs (pp. 180-82) which are of interest on this point: "Three attitudes were distinguishable, at the end of the strike, concerning labor unity. One was that of Mr. Fitzpatrick and Mr. Foster, that the strike had wonderful support from unions all over the country: Mr. Gompers and the A.F. of L. did everything that could have been expected in view of all the other strikes and troubles at the same period; the steel workers appreciate how the unions stood by them." A second view was that expressed by an international president not involved in the strike: "The A.F. of L. doesn't control strikes and the International Unions are primarily business organizations for carrying on constructive negotiations for workers. *Why should they bankrupt themselves for immigrants who originally took the steel jobs away from Americans and who wouldn't go on strike for Americans in the next trouble?*"

A third view was put by a local strike leader, an experienced American unionist, without bitterness, as follows: "The A.F. of L. was not 'massed behind the strike.' The A.F. of L. didn't even hold a mass-meeting that I know of. When the hunkies tell me they were let down, I know it. The unions say they're 'always on the firing line' for labor and one reason they're always there is because they've never learned to fire together. If the railway men in the steel plant yards had struck, this strike would have been won. In October the railway men's locals near Pittsburgh voted to strike but they got no assurance of support from their Brotherhoods. . . .

"At Wheeling, after the gun riot there, some hunkie strikers went to their A.F. of L. organizer for a lawyer to get their fellows out of jail. He told them he wouldn't use union funds for that; let them hire their own lawyer. Foster, I believe, made him move. At Gary, Central Union officials, jealous of the Steel Council, made speeches advising the men to go back. At Sparrows Point a big Amalgamated official

American Federation of Labor. The foregoing is to be taken only as tenable generalization. It is subject to a few exceptions, the broadest of which is for the skilled mechanics known as tool-makers. Manifestly the number of tool-makers in proportion to the tool-users: machine tenders, machine setters, inspectors, handy men, *et al.*, is bound to be everywhere small.

The least important of the three factors mentioned is the attitude of the employers. Detroit was generally regarded as far from a union town even before the growth of the automotive industry. As early as 1902 the leading manufacturers of Detroit banded together in a militant organization known as the Employers' Association. The primary object of this association was the extermination, root and branch, of trade unionism in the factories represented, and they have waged a continuous and aggressive campaign in that direction during the past eighteen years. The plan appeared so successful that it made a strong appeal to other employers outside of the manufacturing industries, and in January, 1920, the Associated Industries of Detroit was organized upon principles very similar to those of the older association. Thus by

did the same thing. I've heard Electrical International officers say their people didn't want steel organized, because electrical workers, during slack times in union shops, like to be free to get steel jobs, which they couldn't if steel was organized.

"All these old habits of our unions played hob with the strike. There's no use denying it—the Steel Corporation knows these things and counts on them. And all the remedies for them, like having all contracts date from the same day, get tied up with radical proposals, like May Day. During the strike, Cleveland foreigner locals tried to get together in one separate steel industrial union. They got jumped on by the Internationals there. After the strike half a dozen towns' Steel Councils met in Gary to start an independent Steel Industrial Union. They'll get nowhere. If they take I.W.W. leadership, or W.I.I.U., they'll be outlawed. If they go it alone, secessionist, they'll be fought tooth and nail by the A.F. of L., with more success than the A.F. of L. fought the Amalgamated Clothing Workers.

"And all the while the twenty-four Internationals won't install the universal transfer card or the low re-installment fee or remit dues or do any of the things they've got to do to keep these new steel locals alive. *They'll let 'em slide because there'd be no money in it.*

"These selfish narrow habits wreck the movement. But we've got to take things as they are. Still there's no use being just optimistic like Foster. We'd better admit it since the steel companies just bank on our making the same mistakes."

The above is cited as a temperate statement of what many strikers and strike leaders expressed savagely. The italics are the present writer's.

concerted action among the different concerns and also, as the writer was more than once assured by responsible officials, among all the agencies of administration within the several plants the employers are vigilant in ridding their "labor supply" of organizers, agitators, or Bolsheviks as they are indiscriminately styled. It is true that in official declarations of principles there is no mention of opposition to unionism as such. One of the stated principles of the Employers' Association is that "no discrimination shall be made against any man because of his membership in any society or organization." As mentioned above, however, it is the general understanding among employment officials that the open shop really means the closed non-union shop, in so far as that policy is practicable.

Notwithstanding the unsupported "independence" of the common employee in dealing with the management, it must be recorded that he has been receiving higher wages on the average than have been paid in other leading industries of the country. There are several reasons for this. In an industry which has as the years run encountered a popular demand normally in excess of its capacity, notwithstanding the steady construction of new plants, the productiveness of labor is bound to be high. Whatever may be the shortcomings of the specific productivity theory of distribution, it cannot be gainsaid that in a vigorously competitive industry a relatively high pecuniary value of product in proportion to pecuniary costs induces a bidding up of general wages to a scale that is relatively high. Moreover, in a young and expanding industry it is necessary to offer wages above the average for like kinds of work in order to attract a sufficient supply of labor from the old and established industries. Much unfavorable comment from the outside upon the payment of high wages in Detroit has provoked sundry explanations and defenses, but nowhere is it denied that unprecedented wages have been paid. A few facts may be enlightening. It is probably safe to say that no able-bodied workman in the motor industry, working full time, receives less than \$30.00 per week or \$5.00 per day. I have seen the pay-rolls of several plants and I think it is a safe generalization to state that the average wage for all classes of so-called "productive labor" during the first

six months of 1920 was above \$50.00 per week. It was not at all exceptional to find men earning from \$60.00 to \$75.00 per week upon a piece-work basis. From these facts it should be evident that there is no ground for charging that labor in the automotive industry is underpaid. It is not. And that constitutes one of the chief elements, it would seem, in the explanation of the existing status of labor in Detroit, as already described.

The relatively high wages also help to explain the absence of any general and deep-seated discontent.¹ There exists in fact surprisingly little ardent sentiment for revolutionary action. Only in scattered individuals does dissatisfaction with the present industrial order rise to the level of a demand for a radical change in the existing social and political system. Around the stockyards and packing-houses of Chicago, St. Louis, and Kansas City, or about the lumber camps and mills of Washington, or in the bituminous coal mines of Indiana, one hears denunciations and diagnoses of the ills of existing social and political institutions that would shock the ordinary employee in Detroit almost as much as his employer.

While there is no appreciable element having grave thoughts of progress by a revolutionary overturn, dissatisfaction is well-nigh universal. The men have been attracted to the industry and held there by high pay, and their hearts are not in their work. Scores of incidents could be marshaled to the support of this assertion were they required, but one will suffice. It was about fifteen minutes before closing time and everyone was slackening his pace, putting away tools, or even removing his apron in preparation for an instantaneous getaway at the first stroke of the gong. "Irish," a native Russian, was inspecting a "lot" of air valves for carburetors. The "lot" was so nearly finished that he could easily have had it out of the way by five o'clock if he had continued to work even at his usual pace up to the time the gong sounded.

¹ In this connection it may be pointed out that if the explanation given above of the relatively high wages be accepted it seems clear that the margin above wages of the similar grades of labor in other industries is bound to disappear with the passage of time. Thus this dike against serious labor unrest should not, it would seem, be relied upon as a permanent protection.

Instead he was fumbling over one piece so as not to draw the attention of the foreman to his idleness. Having worked beside him for several days I felt free to ask in an easy manner: "Why not finish up the job tonight?" "Why finish it? It do no good. You never get all those boxes cleared off the floor. As soon you finish one box, they bring 'nother down. Don't hurry. You never get done anyway."

Except for a very few "old-timers" there is absolutely no loyalty to the establishment or organization in which these men daily labor for their living. They are continually on the alert for "better pay," and a difference of five cents per hour in favor of a new job will lead them to "throw up" an old job without delay. In fact it is not at all uncommon for employees to use a "sickness holiday" for tramping about in search of a job which for the same work offers the prospect of a slightly fatter pay envelope. Or it may be the opportunity for more overtime in the next few weeks, or less bossing, or a longer or shorter noon-hour, or less standing on the feet, or cleaner work, or any one of a dozen other slight, personal reasons that prompts these truly "independent" laborers to transfer their names to other pay-rolls so frequently. Constancy in employment relations is no longer a virtue—at least not a common one. The union leaders are, of course, opposed to this method of improving wages and working conditions. It makes more difficult the work of organization as well as showing a want of confidence in the efficacy of their method. They charge the employers with deliberately fomenting this augmentation of the class of quasi-casual labor for the purpose of keeping down wages. A part of the same plan they declare is the advertising in other cities for men who cannot find jobs in Detroit without displacing other employees. Even during the acute labor shortage of the spring of 1920, so it was said, there were 10,000 men in Detroit kept milling around from pillar to post, their intermittent labor being barely sufficient to maintain them. This figure was corroborated by the employment manager of one big company, who ascribed the condition, however, to the unwillingness of these men to work steadily and faithfully. They were, he said, "the flotsam and jetsam (!) from a storm-tossed sea."

If there exist in Detroit the germs out of which may grow a betterment of our scheme of industrial relations, a more harmonious adjustment of the interests in industry, the writer could not detect them. There were projects of endless variety for providing for the physical welfare of employees both within the factories and outside of them. Safety devices, sanitary conveniences, recreational facilities, insurance privileges, profit-sharing, and many other things good in themselves are to be found as the special favors of different companies. But they are without exception paternalistically conceived and autocratically administered. They engender no enthusiasm, consequently, in the employees. Not a single enterprise in the genuine democratization of industry¹ did I uncover.

The generals in command of the automotive industry are not planning bold marches for the morrow. Wise commanders are prudent commanders, and they aim to "play safe." Their tactics are simple: to hold their ground until dislodged by the attack of a superior force. It should not be inferred, of course, that the leaders in the automotive industry are not men of respectability and virtue. They are, indeed, of the nobility of our era. They are generous. Their generosity extends even to charity. They are men of faith. Their steadfast devotion to the motive which dominates and after a fashion regulates our economy, profit-making, is not to be questioned. More than all this, however, they are idealists. Their idealism is a dream of the golden age of long ago. Who will say that, under these auspicious circumstances, *noblesse oblige* in the twentieth century may not prove to have a potency which the eighteenth century did not discover in its favorite formula!

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¹ Such, for example, as has been developing in the garment-making industry. Cf. *U.S. Bureau of Labor Statistics Bulletin* 198; also *Monthly Labor Review*, August, 1920, article by Mr. O. F. Carpenter. Other examples are: the plan now in operation in the plants of the Dennison Manufacturing Company; the new scheme recently introduced in the factories of Proctor & Gamble. There were, it is true, some officials who expressed a sympathetic interest in such experiments. But the general attitude was one of skepticism. They were regarded as utopian and impracticable, and it was generally considered that the best thing to do was to "let the other fellow" work them out.